THE MADRAS LEGISLATIVE ASSEMBLY.

Wednesday, 9th July 1952.

The House met in the Assembly Chamber, Government Estate, Mount Road, Madras, at half past eight of the clock, Mr. Speaker (THE HON. SRI J. SIVASHANMUGAM PILLAI) in the Chair.

I.—QUESTIONS AND ANSWERS.

STARRED QUESTIONS.

The Visakhapatnam Co-operative Metal and Timber Works, Limited, Kapprada.

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* 59 *Q.*—SRI M. VEERABHADRAM : Will the Hon. the Minister for Industries and Labour be pleased to state—

(*a*) whether it is a fact that "the Visakhapatnam Co-operative Metal and Timber Works, Limited, Kapprada" was closed by the Government from 22nd May 1952; and

(*b*) if so, what are the reasons?

THE HON. DR. U. KRISHNA RAO :—"(*a*) & (*b*) Sir, the Visakhapatnam Co-operative Metal and Timber Works, Limited, Kapprada, for ex-servicemen, were not closed by order of Government. The directors of the two workshops in view of financial difficulties, decided to stop production with effect from 22nd May 1952. The reason for this decision appears to be that their entire capital has been locked up in finished goods and ready moneys advanced to workmen. Secondly, they had no funds to carry on further production. The workshops are now concentrating on the disposal of finished goods, collection of bills, recovery of ready moneys advance, etc. After realizing sufficient money, the directors have decided to commence production again."

SRI M. VEERABHADRAM :—"Sir, was the decision of the directors endorsed by the general body?"

THE HON. DR. U. KRISHNA RAO :—"I am not aware of that fact. I will furnish that information if notice is given. So far as my records go, the directors have decided to stop production."

SRI T. VISWANATHAM :—"May I know, Sir, whether it is wise policy for the society, which was running the business, to stop production altogether until finished goods are sold? If capital is wanting, will not the Government give the financial assistance as it is one of the societies sponsored by the Government themselves?"

THE HON. DR. U. KRISHNA RAO :—"May I inform the hon. Member, Sir, that the Government have already guaranteed to the Indian Bank to the tune of Rs. 90,000—Rs. 63,000 to the timber workshop and Rs. 27,000 to the metal workshop. The directors this time did not approach the Government for any financial aid, but have come to the decision to stop production from 22nd May 1952."

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SRI T. VISWANATHAM :—" In view of the fact that this matter has come up to the Government, will the Government be pleased to advance money to the society and keep the society running so that the finished goods also may find a market?"

THE HON. DR. U. KRISHNA RAO :—" Yes, Sir. If any application comes, we shall certainly consider it favourably."

SRI PRAGADA KOTAIAH :—" May I know, Sir, what is the maximum borrowing capacity of that society?"

THE HON. DR. U. KRISHNA RAO :—" Notice."

SRI K. GOVINDA RAO :—" May I know, Sir, who is responsible for the financial crash of this society? Is it the mismanagement of the executive or is it the fault of the workers?"

THE HON. DR. U. KRISHNA RAO :—" Notice."

SRI P. RAMAMURTHI :—" In view of the fact that the Government are stating in season and out of season that there is great need for increasing production, will the Government take the initiative in the matter themselves and render financial assistance to this society?"

THE HON. DR. U. KRISHNA RAO :—" The Government will consider this point."

SRI M. VEERABHADRAM :—" Sir, who is in charge of securing orders and arranging for the sale of the goods that are produced in the factory?"

THE HON. DR. U. KRISHNA RAO :—" The works manager, Sir."

SRI V. V. RAMASAMI :—" Sir, is it a question of finance that led the directors to suspend production or was it due to lack of demand for the finished products?"

THE HON. DR. U. KRISHNA RAO :—" It is also true that the demand for the finished products was poor."

SRI K. GOVINDA RAO :—" Is it a fact, Sir, that under the bye-laws of the society, no worker can be elected, and that the whole executive should be nominated by the Government?"

THE HON. DR. U. KRISHNA RAO :—" Notice."

SRI C. V. K. RAO :—" Who are the directors of this co-operative organization, Sir, and have the Government made themselves sure that these gentlemen are carrying on their work in a responsible way?"

THE HON. DR. U. KRISHNA RAO :—" The nominated directors are—

(1) Sri P. V. Narasinga Rao Naidu, Public Prosecutor.

(2) Rev. Father R. Joseph.

(3) Sri Balasundar, Assistant Director of Industries and Commerce (Visakhapatnam).

(4) Sri D. Ramamurthi Pantulu, B.A., B.L.

(5) Sri Ommi Ramamurthi.

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"According to the information of the Government, these gentlemen are working in a responsible manner."

SRI T. VISWANATHAM :—"Sir, will the Government advise the Deputy Registrar of Co-operative Societies to change the rules of the society so that the members of the society can have their elected directors, and there will be no trouble between the directors and the members?"

THE HON. DR. U. KRISHNA RAO :—"Apart from these five nominated directors, two directors are elected by the workers also."

SRI V. V. RAMASAMI :—"May I know, Sir, whether the Deputy Registrar of Co-operative Societies is on the Board of Directors, and, if so, what is his advice?"

THE HON. DR. U. KRISHNA RAO :—"He has advised. I have nothing more to add to what I have already said."

SRI PILLALAMARRI VENKATESWARLU :—"Sir, as the factory has been closed now, will the Government send for the records and examine the whole matter, and take over the factory themselves?"

THE HON. DR. U. KRISHNA RAO :—"I can assure the hon. Member that the Government will send for the records. As for taking over the factory, it is a matter of policy, and I require notice."

Repair works of Kanchalamma tank in Rayachoti taluk.

* 60 *Q.*—SRI Y. AUDINARAYANA REDDI : Will the Hon. the Minister for Public Works be pleased to state—

(*a*) whether the Government have given up the execution of the repair works of Kanchalamma tank in Rayachoti taluk; and

(*b*) if so, why?

THE HON. SRI N. RANGA REDDI :—"(*a*) The answer is in the negative. The scheme is being examined.

"(*b*) Does not arise."

SRI Y. AUDINARAYANA REDDI :—"Will the Government take it up as a famine work, Sir?"

THE HON. SRI N. RANGA REDDI :—"The question whether it could be taken up as a famine work was considered. Inasmuch as skilled labour was necessary for the completion of the project, this question was given up, and it could not be taken up as a famine work."

SRI PILLALAMARRI VENKATESWARLU :—"May I know, Sir, the reasons why after considering the whole question, it was given up?"

THE HON. SRI N. RANGA REDDI :—"As a famine work, it was given up."